United Nations A/73/655

General Assembly

Distr.: General
13 December 2018

Original: English

Seventy-third session
Agenda item 136
Programme budget for the biennium 2018–2019

Contingency fund: consolidated statement of programme budget implications and revised estimates

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General entitled "Contingency fund: consolidated statement of programme budget implications and revised estimates" (A/C.5/73/18). During its consideration of the report, the Committee met with representatives of the Secretary-General, who provided additional information and clarification, concluding with written responses received on 12 December 2018.

2. The report indicates that the General Assembly, in its resolution 71/274, decided that the level of the contingency fund for the biennium 2018–2019 should be set at 0.75 per cent of the overall level of resources of the programme budget outline for the biennium, or $40,460,000, to be used in accordance with the procedures for the use and operation of the contingency fund contained in the annex to General Assembly resolution 42/211. The report also indicates that, in its resolution 72/262 on special subjects relating to the proposed programme budget for the biennium 2018–2019, the General Assembly approved charges totalling $39.4 million, leaving a balance of $1.1 million in the contingency fund at the beginning of 2018 (see A/C.5/73/18, paras. 1–2). **The Advisory Committee reiterates its view that the contingency fund is an essential budgetary instrument for addressing additional resource requirements and emphasizes the need to adhere to the provisions of General Assembly resolutions 41/213 and 42/211 on its use** (see A/71/691, para. 3).

3. The report further indicates that, pursuant to Assembly resolution 48/228 and the removal of the identification of high- and low-priority programme elements from the format of the programme budget, alternative options for the reallocation or reduction of resources between high- and low-priority mandated programme elements, including the deferral, termination and curtailment of mandated activities, require the approval of the General Assembly (see A/C.5/73/18, para. 5).

4. With regard to the absorption of additional expenses due to new and expanded mandates, the report of the Secretary-General indicates that in the current 2018–2019 biennium, an amount of $866,500 was identified for absorption in the context of

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various programme budget implications. During the review of the financial implications of the adoption of various draft resolutions by the Main Committees of the General Assembly, a further amount of $461,300 was identified for absorption within the approved resources for the biennium 2018–2019 (ibid., para. 4).

5. The report of the Secretary-General also indicates that the potential new charges for 2018–2019 amount to $78,895,900 and exceed the approved level of the contingency fund by $77,795,900 (ibid., para. 3). The information provided in the annex to the report further indicates that the Secretary-General's proposals relating to the new and expanded mandates in 2018–2019 amount to $79,173,300 and that the recommendations of the Advisory Committee available at the time of the finalization of the report reflect a reduction of $277,400. The annex to the report further indicates that the potential new charges do not take into account the recommendations of the Committee relating to nine items listed (see also paras. 7 and 9 below).

6. From the annex to the report of the Secretary-General, the Advisory Committee notes that a significant proportion of the potential charges against the contingency fund relates to requirements under the following: section 33, Construction, alteration, improvement and major maintenance ($17.6 million); section 24, Human rights ($16.6 million); and section 1, Overall policymaking, direction and coordination ($15.5 million). The latter includes implications relating to the Secretary-General's proposal to reposition the United Nations development system. As regards the requirements relating to human rights, the Committee was provided upon request with table 1 below, which shows the trend of the potential charges against the contingency fund for section 24.

Table 1
Trend of the potential charges against the contingency fund for section 24, Human rights

(Thousands of United States dollars)

Report on the contingency fund	*Section 24, Human rights, as requested in the report on the contingency fund*	*Total as requested in the report on the contingency fund*	*Human rights share of total (percentage)*
A/C.5/68/20	6 546.2	19 763.4	33
A/C.5/69/16	8 826.1	25 422.1	35
A/C.5/70/19 and A/C.5/70/19/Corr.1	7 991.8	34 094.8	23
A/C.5/71/17	12 359.9	43 307.2	29
A/C.5/72/20	18 934.2	41 341.3	46
A/C.5/73/18	16 583.8	78 895.9	21

7. While noting that the report of the Secretary-General does not reflect the recommendations of the Advisory Committee on all the statements of programme budget implications submitted by the Secretary-General for 2018–2019, the Committee observes that the potential additional resource requirements, in the amount of $78,895,900 exceeds the approved level of the contingency fund for the biennium 2018–2019. The Committee recalls that situations in which expenditures relating to new and expanded mandates which exceeded the level of the contingency fund had occurred in the bienniums 2006–2007, 2012–2013, 2014–2015 and 2016–2017. In those cases, the General Assembly had appropriated the amounts presented in various reports separately, rather than as charges against the contingency fund (see A/72/7/Add.43, para. 6).

8. Upon request, the Advisory Committee was provided with updated information on the utilization of the contingency fund since its inception, which is reflected in table 2 below.

Table 2
Utilization of the contingency fund since its inception

(Millions of United States dollars)

Biennium	*Approved*	*Preliminary estimate (percentage)*	*Utilization estimates*	*Utilization estimates (percentage)*	*Additional appropriation that did not represent a charge against the contingency fund*[a]
1990–1991	15.0	0.75	11.8	78.7	–
1992–1993	18.0	0.75	6.3	35.0	–
1994–1995	20.0	0.75	18.5	92.5	–
1996–1997	20.6	0.75	5.2	25.2	–
1998–1999	19.0	0.75	3.7	19.5	–
2000–2001	19.1	0.75	18.9	99.0	–
2002–2003	18.9	0.75	18.9	100.0	–
2004–2005	21.6	0.75	13.8	63.9	–
2006–2007	27.2	0.75	26.6	97.8	52.6
2008–2009	31.5	0.75	26.3	83.5	–
2010–2011	36.5	0.75	14.1	38.6	–
2012–2013	40.5	0.75	37.5	92.6	8.6
2014–2015	40.4	0.75	40.2	99.5	5.1
2016–2017	41.7	0.75	34.5	82.7	29.2
2018–2019[b]	40.5	0.75	39.4	97.3	To be determined

[a] As contained in the reports that would normally represent a charge against the contingency fund.

[b] The utilization of the contingency fund for 2018–2019 is based on approved charges for the first year and does not include potential charges.

9. **The Advisory Committee trusts that an update to the list of potential charges to the contingency fund, reflecting all remaining recommendations of the Committee, will be presented to the General Assembly at the time of its consideration of the present report.**

10. **Taking into account its observations in the paragraphs above, the Advisory Committee recommends that the General Assembly consider the potential charges related to new and expanded mandates against the contingency fund, as outlined in the report of the Secretary-General, and offer appropriate guidance to the Secretary-General accordingly.**